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SUBJECT: FY07 BFIF REPORTING FROM DUSHANBE

REF: (A) 2007 STATE 087036 (B) 2007 DUSHANBE 1046

11. Per reftel A, Embassy Dushanbe submits the following report regarding participation in the Business Facilitation Incentive Fund (BFIF) program in FY 2007. Post again thanks the Economic Bureau for its support for these two successful programs.

12. Dushanbe - Regional Transportation Infrastructure Conference

BFIF contribution: \$2,000
Amount disbursed: \$2,000

Budget breakdown:
\$500 for conference facility rental
\$1,000 for interpretation
\$500 for in-country transportation expenses

BFIF funds contributed to the Central Asian Transportation Infrastructure Conference in Dushanbe May 7, sponsored by the U.S. Department of Commerce along with Embassy Dushanbe. The conference provided an opportunity for Central Asian transport representatives to discuss their accomplishments and challenges within their respective transport sectors, along with the potential for future cooperation and growth. Representatives from Tajikistan, Afghanistan, Kyrgyzstan and Kazakhstan focused on improving aviation and road construction efforts to integrate Central and South Asia. The high level of participation -- more than 80 attendees -- demonstrated the desire for economic integration in the region and building/renovating roads between Kazakhstan and Karachi.

Department of Commerce Deputy Assistant Secretary for Europe Paul Dyck opened the conference by explaining the U.S. government desire to expand U.S. trade links with Central Asia, while reducing trade and investment barriers through initiatives such as the Central Asia Trade and Investment Framework Agreement. He also highlighted our mutual goal to create a regional electricity market, improve customs regimes and border security, and integrate telecom systems. A representative from Caterpillar made a presentation on their products to the audience, with potential sales leads.

Continued U.S. support for development and reform in the Central Asian transportation sector remains necessary to keep the dialogue going. This conference demonstrated that regional leaders share the goals of Central and South Asian regional integration, and are actively working towards them.

13. Dushanbe - Tajik-Afghan Cross Border Trade

BFIF contribution: \$9,500
Amount disbursed: \$9,500

Detailed budget breakdown of costs incurred May 2 - December 31:

Salary	2841
Honoraria	250
Taxes	772.75

Equipment	50	
Communications	83.87	
Rental of Trade Fair Facility	500	
Lodging Trade Fair Participants	1200	
Meals during Trade Fair	600	
Visa Expenses	700	
Bank Fees	150	
Stationary	520	
Seminar costs	1,380	

SubTotal	9047.62	
EFCA Overhead (6%)	452.38	
Total	9500	

The Eurasia Foundation of Central Asia, through their subgrantee non-governmental organization "Sapeda", conducted a series of seminars for businesspeople in the border areas of Tajikistan and Afghanistan in the vicinity of the U.S.-funded Nizhniy Pyanj bridge that opened in August 2007. Over 480 people attended the seminars that increased the possibility for cross-border trade. As part of this project Sapeda has also completed a legal manual in Tajik and Dari for government officials and entrepreneurs. The project culminated in a cross-border trade fair October 21-23 in Kunduz, Afghanistan. 40 Afghan and Tajik traders displayed their goods at the trade fair, which generated strong public interest and press coverage, and gave a boost to cross border trade and regional economic integration.

The project built on the success of two previous cross-border QThe project built on the success of two previous cross-border partnership projects implemented by Sapeda and the Eurasia Foundation, and helped small businesses and farmers on both sides realize their trade potential by seeking to eliminate administrative barriers across the border. Bolstering cross-border trade and small and medium enterprises fits with the Embassy Kabul and Embassy Dushanbe's mission priorities of economic development and regional trade. The project gets to the heart of regional economic integration by building capacity on both sides that could lead to increased trust between the countries and strengthened regional stability, in addition to developing markets for U.S. products and equipment.